Unemployment rate remains steady at 4.1% in February

Media Release

Released 20/03/2025

Source: Labour Force, Australia, February 2025

The seasonally adjusted unemployment rate remained steady at 4.1 per cent in February, according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics said: 'With employment falling by 53,000 people and the number of unemployed falling by 11,000 people, the unemployment rate remained at 4.1 per cent.

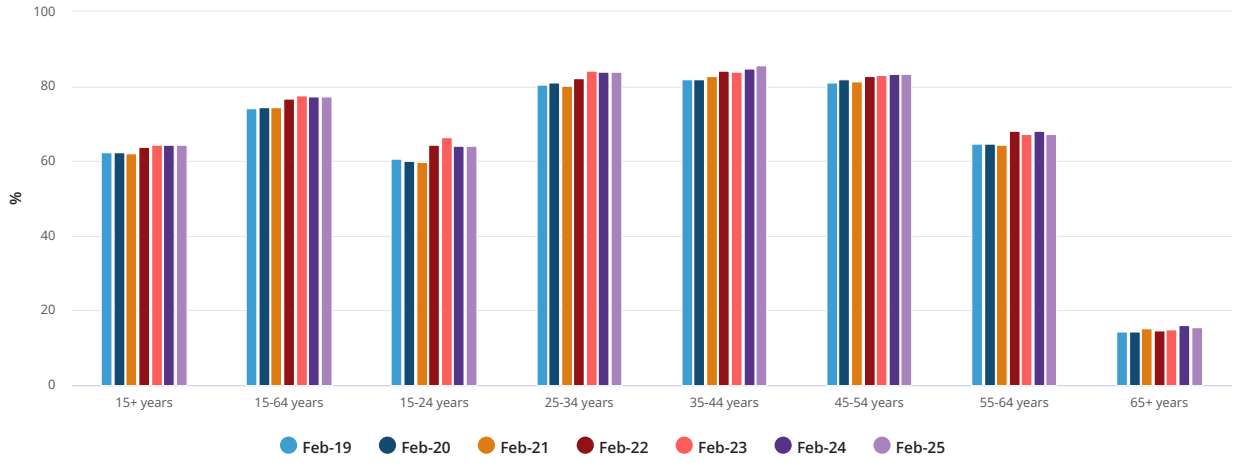
'Fewer older workers returning to work in February contributed to the fall in employment this month, with lower levels of employment in the older age groups in February 2025 compared with 2024. This follows higher levels of employment in these age groups in recent years, particularly in 2024, alongside growth in the employment-to-population ratio over the last few years,' Mr Jarvis said.

'In contrast, we continue to see growth in employment for people aged between 15 and 54 over the year.'

Despite the fall in employment in February, in seasonally adjusted terms it was still around 266,000 people – or 1.9 per cent – higher than last February. This annual growth rate is around the 20-year pre-pandemic average of 2.0 per cent.

'While the employment-to-population ratio fell 0.4 percentage points to 64.1 per cent in February, it is still only 0.4 points below its historical high in December, and around where it was in June 2024,' Mr Jarvis said.

Employment-to-population ratios, by age group, Original



Source: Labour Force, Australia, Detailed Table 1

A spotlight on participation by sex and age (/articles/spotlight-changes-participation-rates-men-and-women-australia) is included in this release, which shows the increases in participation over the recent decades and across the past few years.

Further information on recent changes in retirement and other reasons people have left employment will be included in the Labour Force, Australia, Detailed (/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release) release on Thursday, 27 March. That detailed Labour Force data shows higher levels of retirement in Australia in recent months.

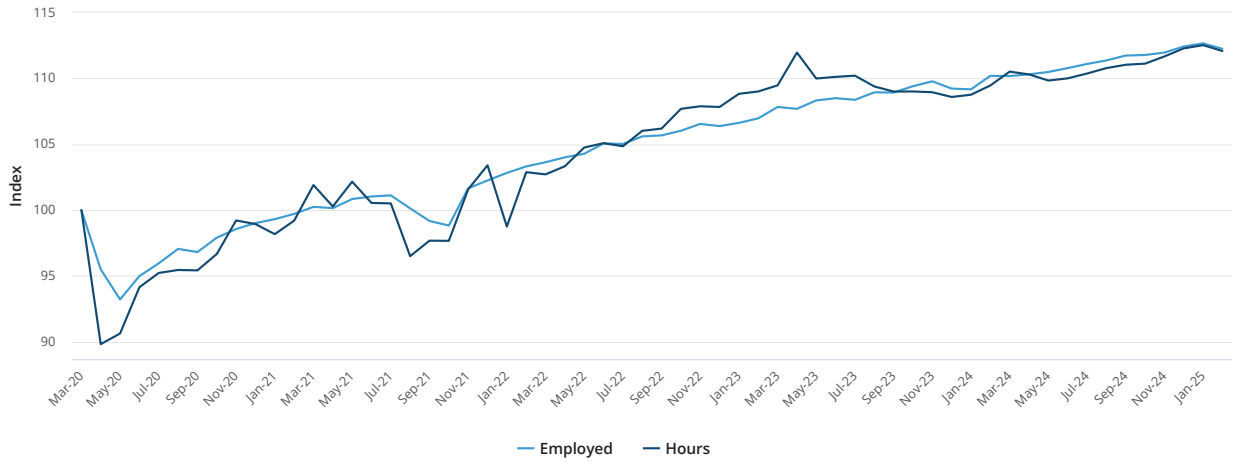
The fall in both the seasonally adjusted numbers of employed and unemployed people in February led to the participation rate also falling, down by 0.4 percentage points to 66.8 per cent.

'Despite the fall this month, the participation rate is still relatively high, having reached a historical high last month, and is 0.1 percentage points higher than this time last year,' Mr Jarvis said.

Hours worked

Seasonally adjusted monthly hours worked fell by 0.4 per cent in February 2025, in line with the percentage fall in employment. In annual terms, the rise in hours worked is higher than growth in people employed (2.4 per cent and 1.9 per cent respectively).

Seasonally adjusted employment and hours worked, indexed to March 2020



Source: Labour Force, Australia Tables 1 and 19

Underemployment and underutilisation

The underemployment rate decreased 0.1 percentage points to 5.9 per cent in February 2025. This was 0.7 percentage points lower than February 2024, and 2.8 percentage points lower than March 2020.

The underutilisation rate, which combines the unemployment and underemployment rates, decreased 0.2 percentage points to 9.9 per cent. This was 4.0 percentage points lower than March 2020.

Underlying trend data

The trend unemployment rate remained at 4.0 per cent in February. It has been within a relatively narrow range of 3.9 and 4.1 per cent for the past 12 months.

In trend terms, employment grew by around 15,000 people (0.1 per cent). Employment grew 2.4 percent compared to February 2024, which is stronger than the 20 year average of 2.0 per cent.

Monthly hours worked grew slightly faster than employment, rising by 0.2 per cent.

‘In trend terms, the employment-to-population ratio fell by 0.1 percentage point to 64.2 per cent in February, following six consecutive months of a record high 64.3 per cent, while the participation rate remained at 67.0 per cent,’ Mr Jarvis said.

The underemployment rate remained at 5.9 per cent and the underutilisation rate fell slightly to 9.9 per cent.

More information, including regional labour market data, will be available in the upcoming February 2025 issue of Labour Force, Australia, Detailed, on Thursday 27 March 2025.

The ABS would like to thank Australians for their continued support in responding to our surveys.

Media notes

- The February survey reference period is from 2 February 2025 to 15 February 2025.
- The March survey reference period is from 2 March 2025 to 15 March 2025.
- The ABS defines pre-pandemic as March 2020 when analysing and reporting labour force statistics.
- The ABS has recently released Labour Force Survey data into TableBuilder (/statistics/microdata-tablebuilder/available-microdata-tablebuilder/labour-force-survey) . Initially, data from August 2006 to July 2024 will be available, with the intention to move to more concurrent and more frequent releases of data later this year.
- Watch our data literacy presentation on CPI, inflation and cost of living data (https://www.youtube.com/watch?v=9-sGkfqqI70) as well as our ABS data crash course (https://www.youtube.com/watch?v=Ie2K3PNejU4&list=PLR8_RxifMwL4JQTxYclMANzga67VBlyhj&index=11) , designed especially for journalists to learn how to find, download and interpret our data.
- Access official, high-resolution images of Bjorn Jarvis and other ABS media spokespeople can be found in our image library (https://www.abs.gov.au/media-centre/abs-image-library) .
- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
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